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CENTRAL INTELLIGENCE AGENCY  
WASHINGTON 25, D. C.

(26)

25 July 1950

MEMORANDUM**SUBJECT: The Korean Situation****I. Military Situation.**

All sectors of the Korean battle front are now active as North Korean forces continue to pour in all troops, artillery and tanks available to them in the combat zone. The enemy clearly is making a maximum effort to encircle, cut-off, and drive into the sea all UN forces in Korea before additional reinforcements arrive to overcome present North Korean numerical superiority.

**2. UNDISCLOSED**

The enemy drive through southwestern Korea continues unopposed and unabated and an enemy force estimated to be a regiment has entered the port city of Mokpo. Enemy troops in division strength are reported in Namwon in position to move south to the coastal road leading to Pusan or through the mountain roads to Taegu. In the Taejon-Yongdong sector, latest official reports describe heavy movements of enemy troops and tanks; late press reports indicate that a heavy northern attack has penetrated US lines in the vicinity of Yongdong. An attack in force by the enemy Second Division has been repulsed by the US Twenty-Fifth Division in the vicinity of Chongean on the right flank of the US 1st Cavalry positions at Yongdong. In the Central sector, the enemy Fifteenth Division suffered local reverses north of Hanchang in an encounter with the South Korean Capital Division but further to the east enemy troops forced southern units to withdraw south of Yongju. Two new enemy infantry divisions, the Seventh and Eighth, have now been indentified in the central sector. It also appears that the experienced enemy First Division has shifted east to this sector, and preparations for a major push south toward Taegu and Kunchon may have been completed. Enemy troops south of Yongdok on the east coast were pushed back one mile by South Korean-US operations.

Aircraft of the 7th Fleet are striking at enemy troops in southwestern Korea but results have not been received.

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## II. Other Developments.

The United Nations Command, with General Headquarters in Tokyo, was officially established on Monday, with General MacArthur as Commander-in-Chief.

Seoul is apparently suffering from inflation and a rice shortage; refugees report that the price of rice there has risen to 7 times that in Pusan and 11 times that in Taegu. Refugees also report that on the third day of the Northern occupation, authorities made a house-to-house search and confiscated all rice; since then the people in Seoul have been subsisting without rice.

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